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RESOLUTIONS ADOPTED BY THE GENERAL ASSEMBLY

[*on the report of the Fifth Committee (A/52/746/Add.1)*]

52/226. Procurement reform and outsourcing

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The General Assembly,

Reaffirming its resolutions 49/216 C of 23 December 1994, 51/231 of 13 June 1997, 51/243 of 15 September 1997 and 52/220 of 22 December 1997,

Having considered the report of the Secretary-General on procurement reform[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

Having also considered the note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the review of the implementation of procurement reform,[3]

1. *Calls upon* the Secretary-General to ensure strict adherence to the regulations and rules governing the procurement process;

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[1] A/52/534 and Corr.1.

[2] A/52/7/Add.3. For the final text, see *Official Records of the General Assembly, Fifty-second Session, Supplement No. 7A*.

[3] A/52/813, annex.

2. *Notes with concern* that its resolution 51/231 and a number of the recommendations contained in the report of the High-level Group of Experts on Procurement remain largely unimplemented, and therefore calls on the Secretary-General to ensure their full implementation without any further delay;

3. *Notes* that the revised procurement manual has not been issued, and requests the Secretary-General to publish the manual no later than 31 March 1998, as stated in his report;

4. *Also notes* the delay in submission of proposals for revision of the Financial Regulations and Rules of the United Nations, which may be necessary to facilitate the implementation of the procurement reform process, and requests the Secretary-General to submit such proposals to the General Assembly, through the Advisory Committee on Administrative and Budgetary Questions, for consideration by the Assembly at the second part of its resumed fifty-second session;

5. *Requests* the Secretary-General, in the context of his next report on procurement reform, to evolve and provide the standards for measuring the efficiency of procurement, taking into account the optimal duration of the procurement decision-making process, the total workload in the Procurement Division of the Secretariat and the cost-efficiency of procurement, against which the performance should be measured;

6. *Notes* the decline in *ex post facto* cases, and underscores the need to reduce further the number of such cases through better procurement planning;

7. *Requests* the Secretary-General to ensure that all departments and offices at Headquarters and in the field develop, in cooperation with the Procurement Division, annual procurement plans, which should be made publicly available;

8. *Emphasizes* the need for a sharper definition of exigency needs,[4] and urges the Secretary-General to submit his proposal to the General Assembly, through the Advisory Committee, no later than 31 March 1998, as stated in his report;

9. *Requests* the Secretary-General to consider measures to improve the working methods of the Headquarters Committee on Contracts in order to enhance and expedite the procurement decision-making process;

10. *Regrets* that the report of the Secretary-General does not contain information on the action taken regarding guidelines on methods of invitation to bid, which was recommended by the Board of Auditors in its report on procurement for the biennium ended 31 December 1995,[5] and requests the Secretary-General to submit the guidelines, through the Advisory Committee, for consideration by the General Assembly at the second part of its resumed fifty-second session;

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[4] A/52/534 and Corr.1, para. 24.

[5] See *Official Records of the General Assembly, Fifty-first Session, Supplement No. 5* (A/51/5), vol. I, sect. II.

11. *Also regrets* that the information requested in paragraphs 18 and 37 of its resolution 51/231 was not provided in the report of the Secretary-General, and emphasizes that immediate action should be taken for the full implementation of the resolution;

12. *Further regrets* that, despite the initial efforts of the Secretary-General, the supplier roster is still not representative of the membership of the Organization, and requests him to intensify further and focus his efforts to broaden the geographical base of the supplier roster;

13. *Requests* the Secretary-General to take all possible measures to increase procurement from developing countries and countries with economies in transition, including the following measures:

(*a*) All invitations to bid should be posted on the Procurement Division Web site homepage as soon as they are prepared, in accordance with the Financial Regulations and Rules of the United Nations;

(*b*) All invitations to bid should be sent to the permanent missions, as well as to all United Nations information centres and other United Nations offices;

(*c*) Procurement Division officials may undertake visits to developing countries and countries with economies in transition to attend seminars and exhibitions, with a view to identifying potential vendors from those countries;

(*d*) All commercial opportunities should be published in *Development Business*, which is issued by the Office of Communications and Public Information of the Secretariat;

14. *Also requests* the Secretary-General to examine ways to increase opportunities for developing countries in the award of procurement contracts, in particular least developed countries, African countries and countries with economies in transition, taking into account the experience of preferential treatment in this regard in the funds and programmes of United Nations organizations and other intergovernmental institutions, and to report thereon to the General Assembly at its fifty-third session;

15. *Further requests* the Secretary-General to examine the possibility of awarding procurement contracts to equally qualified vendors from countries that are current in the payment of their assessed contributions, taking into account the experience of other intergovernmental institutions with such practices, and to report thereon to the General Assembly at its fifty-third session;

16. *Requests* the Secretary-General to develop a standard procedure for the preparation of performance evaluation reports on suppliers, as requested by the General Assembly in paragraph 15 of its resolution 51/231;

17. *Reiterates its concern* about the use of suppliers recommended by requisitioners and, noting that this practice undermines the principle of segregation of responsibilities between requesting and procurement entities, requests the Secretary-General to discontinue the practice;

18. *Requests* the Secretary-General to revise paragraphs (*f*) and (*g*) of financial rule 110.19 to include professional services, medicines, medical supplies, hospital or surgical supplies and prosthetic appliances in the open bidding process;

19. *Emphasizes* that the procurement of goods and services in the field missions could be sourced competitively at the local or regional level;

20. *Notes* the progress made in the area of staff training, and requests the Secretary-General to develop further a formal training programme for all procurement staff;

21. *Reiterates its decision* that all procurement-related functions should be performed only by United Nations staff, and requests the Secretary-General to phase out gratis personnel from the Procurement Division expeditiously, and no later than 31 July 1998;

22. *Requests* the Secretary-General to review the organizational structure of the Procurement Division in order to ensure effective and efficient management, taking into account the implementation of procurement reform, including the recommendations contained in the reports of the Advisory Committee,[2] the Board of Auditors[3] and the Office of Internal Oversight Services,[3] and to report thereon, through the Advisory Committee, to the General Assembly;

23. *Underlines* the need to maintain inventory records in accordance with the relevant regulations and rules;

24. *Requests* the Secretary-General to entrust the Office of Internal Oversight Services with conducting a comprehensive review and analysis of the procurement-related arbitration cases and to report to the General Assembly at its fifty-third session on measures to be taken;

25. *Also requests* the Secretary-General to define and publish the procedures governing the role of the ombudsman and to examine the feasibility of assigning that position to a division other than one under the direct authority of the Assistant Secretary-General for Central Support Services;

26. *Regrets* the continued delay in the publication of the procurement manual, and notes with concern the apparent absence of effective communication between the various key Secretariat departments involved in its preparation;

27. *Requests* the Secretary-General to examine alternative methods of collecting statistical data in order to provide a more transparent view of the true national provenance of companies benefiting from procurement contracts;

28. *Also requests* the Secretary-General to submit proposals on possible amendments to the Financial Regulations and Rules of the United Nations and the Staff Regulations and Rules of the United Nations in order to address issues of potential conflict of interest, such as the employment of former United Nations procurement officers by United Nations suppliers and vice versa;

29. *Further requests* the Secretary-General to report to the General Assembly at the main part of its fifty-third session on the implementation of all of the provisions of the present resolution.

82nd plenary meeting
31 March 1998

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The General Assembly,

Having considered the report of the Joint Inspection Unit entitled "The challenge of outsourcing for the United Nations system"[6] and the report of the Office of Internal Oversight Services on the review of the implementation of procurement reform,[7]

1. *Welcomes* the continued coordination of efforts between the Office of Internal Oversight Services and the Joint Inspection Unit to improve and streamline the outsourcing activities of the United Nations and the organizations of the United Nations system;

2. *Requests* the Secretary-General to submit, for consideration by the General Assembly at the main part of its fifty-third session, a comprehensive report on outsourcing practices, duly taking into account the reports of the Joint Inspection Unit[6] and the Office of Internal Oversight Services.[7]

82nd plenary meeting
31 March 1998

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[6] See A/52/338.

[7] A/52/813, annex.